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July 26, 2005

VIA OVERNIGHT MAIL

The Honorable Charles L. A. Terreni
Chief Clerk and Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Docket Number 2005-3-E
Duke Power - Annual Review of Base Rates for Fuel Costs
Filing of Testimony and **Motion for Confidential Treatment**

Dear Mr. Terreni:

Pursuant to the Commission's scheduling order in the above-referenced docket, Duke Power ("Duke"), a division of Duke Energy Corporation, encloses for filing 25 copies of the direct testimony and exhibits of witnesses Janice D. Hager, M. Elliott Batson and Dwight L. Jacobs.

Certain information contained in Ms. Hager's testimony and exhibits is confidential. Therefore, pursuant to Commission Order No: 2005-226 "ORDER REQUIRING DESIGNATION OF CONFIDENTIAL MATERIALS," Duke hereby files the confidential information in a separate envelope marked "CONFIDENTIAL" and files 25 copies of a redacted non-confidential version of the such testimony and exhibits. If you have any questions or concerns, please do not hesitate to contact the undersigned.

Please consider this letter as Duke's Motion to accord confidential treatment to the testimony and exhibits so designated.

By copy of this letter, Duke serves such testimony and exhibits on all parties of record to this proceeding. The parties have previously entered into confidentiality agreements with Duke, and therefore, the confidential portions of Ms. Hager's testimony and exhibits are produced pursuant to such agreements and 26 S.C. Code Ann. Regs. 103-804(Y)(2).

Sincerely,

Lara Simmons Nichols
William F. Austin, Austin, Lewis, and Rogers, P.A.

Enclosures

cc: C. Dukes Scott, Esquire, Office of Regulatory Staff
Florence P. Belser, Esquire, Office of Regulatory Staff
Scott Elliot, Esquire